

# Vermont's Minimum Wage Will Increase on January 1st

## Meals and Lodging Allowances Will Also See Slight Increases

Montpelier, VT – The Vermont Department of Labor announced today that the STATE minimum wage rate will be increased to \$8.73 per hour – from the current rate of \$8.60 per hour – effective on January 1, 2014.

Under Vermont statute (21 VSA § 384), Vermont's minimum wage increases each year at the same rate as the Consumer Price Index (as calculated in August for the preceding year, or at 5%, whichever is less). The same calculation increase applies to the basic wage rate for tipped employees and the maximum tip credit allowed, and for the permitted-deduction-rates for employer-provided rooms and meals.

Service or tipped employees rate will increase to \$4.23 per hour from \$4.17. "Service or tipped" employees may include individuals working in businesses such as hotels, motels, tourist places and restaurants, and who customarily and regularly receive more than \$120.00 a month in tips for direct and personal service. The service or tipped employee's total earnings during a pay period (a combination of tips and basic wage) must equal or exceed the minimum wage of \$8.73 per hour, and if not the employer must make up the difference.

An employer may deduct from wages earned an allowance for meals and lodging actually furnished and accepted. The allowances and the increased rates as of January 1, 2014 are as follows:

Breakfast \$2.94 daily

Lunch \$3.30 daily

Dinner \$3.67 daily

Full Board \$9.91 daily or \$69.37 per week

Nightly Lodging \$4.04 daily

Full Room \$24.30 weekly

Full room & Board \$83.93 per week

Vermont law requires all employers to post the minimum wage rates. Updated posters for both the minimum wage and meals and lodging allowance can be found at the Vermont Department of Labor's website ([www.labor.vermont.gov](http://www.labor.vermont.gov)) under the "Publications" section.

Information about the minimum wage or other wage and hour regulations impacting Vermont's workforce can be found on the Vermont Department of Labor website at [www.labor.vermont.gov](http://www.labor.vermont.gov) or contact the Department of Labor Wage and Hour Program at 802-828-0267.

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